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Ontario Hydro-Electric Inquiry  
Commission, 1922-1924

J. ALLAN ROSS  
Commissioner  
FINANCIAL

#35

HYDRO-ELECTRIC INQUIRY COMMISSION

35

(HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO)

Reports on investigation of accounts



REPORT ON INVESTIGATION OF ACCOUNTS  
OF  
SEVERN SYSTEM  
DATED NOVEMBER 23, 1922

Price, Waterhouse & Co.  
ROYAL BANK BUILDING  
TORONTO, ONT., CANADA



PRICE, WATERHOUSE & CO.

CANADA. UNITED STATES. MEXICO.  
GREAT BRITAIN.

ROYAL BANK BUILDING

CONTINENTAL EUROPE, ETC.  
PRICE, WATERHOUSE, PEAT & CO.  
SOUTH AMERICA  
PRICE, WATERHOUSE, FALLER & CO.  
ALSO, GREAT BRITAIN  
W. B. PEAT & CO.

TORONTO

November 23rd 1922.

W. D. Gregory, Esq., Chairman,  
Hydro-Electric Inquiry Commission,  
Toronto, Ontario.

Dear Sir:

SEVERN SYSTEM

As requested we have made a general investigation of the accounts and records relating to the Severn System owned and operated under trusteeship, by the Hydro-Electric Power Commission of Ontario, and now beg to submit our report thereon:

SCOPE OF INVESTIGATION

The books and accounts of the Hydro-Electric Power Commission of Ontario have been audited by Mr. G. T. Clarkson, of Messrs. Clarkson, Gordon & Dilworth from the commencement of the Commission's activities, to October 31, 1921, therefore, it is considered that our investigation should be limited to a general review of the accounts and an inquiry into any important questions of principle involved therein.

The various assets and liabilities of the Severn System are contained in, and form a part of, the general books of the Hydro-Electric Power Commission of Ontario, and our comments thereon are arranged under the names of the accounts pertaining to this System, as follows:



Accounts	Balance as at October 31, 1921	
	Debit	Credit
<b>CAPITAL INVESTMENT</b>	<b>\$1,406,847.24</b>	
<b>OPERATING ACCOUNTS</b>		
RESERVE FOR RENEWALS		\$ 227,347.31
RESERVE FOR SINKING FUNDS		59,961.22
RESERVE FOR CONTINGENCIES		7,126.08
<b>ACCOUNTS WITH MUNICIPALITIES.</b>		
Power Accounts Receivable	43,621.00	
In respect of Cost of Power (adjusted)-		
Accounts Receivable	56,175.48	
Accounts Payable		2,705.54

In connection with these accounts we have prepared and attach hereto the following statements:

Exhibit I Operating Account

- \* II Analysis of revenue from Municipalities, etc., together with horse power loads and rates
- \* III Analysis of overhead expenses
- \* IV Statement showing the basis of the annual rate for the Reserve for Renewals
- \* V Statement of Reserve for Sinking Fund  
(Statement of Reserve for Contingencies)
- \* VI List of Municipalities in the Severn System, together with balances as at October 31, 1921, resulting from the adjustment, to the Cost of Power, of interim power bills
- \* VII Statement of accounts due by municipalities in respect of the cost of power at October 31, 1921, still unpaid at September 30, 1922
- \* VIII Excerpts from standard form of agreement with a Municipality re supply of Electrical Power
- \* IX Excerpts from agreement with the Municipal Corporation of the Village of Victoria Harbor re supply of Electrical Power



#### HISTORY AND ORGANIZATION

The Severn System commenced operations in November 1911, the Commission having constructed wood pole lines and distributing stations, when the towns of Midland and Penetang began to take power, which was purchased from the Simcoe Railway and Power Company, Limited.

With reference to the properties of the Simcoe Company the following action was taken in meeting of the Commission held on March 24, 1914, as shown by the Minute Book:

"Purchase of the Big Chute power from the Simcoe Railway and Power Company was taken up and carefully considered. The Chairman was instructed to take the necessary steps to secure an option upon the whole property, including the Severn power, and take the matter up with the Government with a view of procuring an Order-in-Council for the purchase of the same."

The Hydro-Electric Power Commission of Ontario, on June 30, 1914, purchased from the Simcoe Railway and Power Company, Limited, its power development situated at the Big Chute, on the Severn River, together with its transmission lines and distributing stations. The Order-in-Council, dated June 17, 1914, is as follows:-

"Upon consideration of the recommendation in that behalf of the Hydro-Electric Power Commission of Ontario dated 17th June, 1914, the Committee of Council advise that the said Commission be authorized to purchase the plant and interest of the Simcoe Railway and Power Company as hereinafter set out for the sum of Four hundred and seventy-five thousand dollars (\$475,000).

1. The taking over of the property, franchises, easements and leasehold rights covering the development and operation of waterpower known as the Big Chute and located upon the Severn River, in the Townships of Hachedash and Baxter in the Province of Ontario and which are now held by the said Company.
2. The taking over of power development works and plant and appurtenant structures of the Big Chute.
3. The taking over of all transmission lines and sub-stations now owned by the said Company.
4. The taking over of the power site at Port Severn now owned in fee simple by the said Company, together with any lands



riparian rights and privileges or easements connected therewith and necessary for the purposes of the power development except such lands therefrom as the Dominion Government may require for the Trent Valley Canal.

5. The taking over of such works, assets, easements, franchises, real property and rights, equipment and chattels, now held by the said Company as may be owned and controlled by them and necessary for the purposes of the Commission for the sum above named.
6. The authority to further develop the water powers at the Big Chute, and at Port Severn to full capacity when the necessity for so doing shall arise and to purchase all necessary material and equipment in connection with such development."

The purchase consideration for the undertaking and properties acquired by the Commission, as set forth in an agreement dated June 30, 1914, was \$475,000, payable in the following manner-

\$230,000 upon delivery of the plant on July 1, 1914, and the balance of \$245,000, upon the Simcoe Railway & Power Company paying off the authorized bond issue of \$200,000 secured by a mortgage upon its properties; procuring a release of the properties from the Trust & Guarantee Company, Trustees, under the mortgage, and giving to the Commission a proper conveyance of the Port Severn property.

It was further provided under the agreement that for the purpose of assisting the Simcoe Railway & Power Company in taking up and redeeming its bond issue, it would be entitled to receive from the Commission, in addition to the sum of \$230,000, further sums equal to the face value of bonds delivered by the Company to the Commission from time to time in blocks of \$25,000, or multiples thereof, exclusive of interest (if any) accruing on the bonds, such further sums to be applied on the \$245,000 balance of the purchase price. The Commission was entitled to hold the balance of \$245,000 without being charged any interest thereon, until such time as the mortgage had been properly and sufficiently discharged, and the properties conveyed to the Commission.

The Commission acquired the properties, subject to the electrical power contracts of the Simcoe Railway & Power Company, with the Village of Victoria Harbor, the Victoria Harbor Lumber Company, the

Intergovernmental relationships are similarly extremely  
complex and the relationship that you described was different in  
relationships with the particular project during previous administration  
and your project would have got different type of relationships

Intergovernmental relationships continue to grow rapidly and so  
the relationships that I mentioned in 1993 were changing from  
relationships in terms of the administrative base and of fiscal  
relationships with the government and the government has sort of  
been involved in the whole process.

But do you think that those relations will last or will they not?  
and what influences this or could this be the case?

If we carry on the same fiscal policy as the government  
then like performance based funding and linking expenditure

expenditure to performance and sort of administrative spending will  
be sort of something to do with how we administer sort of spending and

so if the government continues to do that then it will last and if not  
will not last if you as banks sort of continue doing 200,000  
mortgage loans to people which is what the government  
is doing then there will be more and more problems.

So because of that you know if the government does not  
change its fiscal policy then the relationships will last  
otherwise if it continues sort of having the same approach and values  
of government growth that will be unchanging

but not sort of increasing and sort of decreasing and sort of  
not working in opposite ways to sort of increase and not reduce in bringing  
out sort of services or products or things of general benefit to everybody else

then some changes will be sort of inevitable as relationships  
between sort of government of countries abroad to others will not be  
ordinary. Ordinary relations in today's world should be sort of sort and

sort of more difficult now, about sort of interests (you know) external to  
international politics and the economic and social areas of influence and  
the regions united together by GATT, the World Bank and other institutions have  
been changing and their functions sort of sort have been changed specifically  
international and at domestic institutions and the government's international

sort of function, activities etc will therefore substantially sort  
of change now and a similar way will be occurring with institutions  
with regard to their internal structure and political processes to stability and

Town of Orillia, and the Marconi Telegraph Company of Canada and agreed to carry out the contracts in accordance with the terms thereof.

The assets acquired were taken up on the books of the Commission on the basis of valuations determined by its engineers, and in this connection the following excerpts have been made from a memorandum of October 29, 1915, to the Chief Engineer of the Commission:

"In accordance with your instructions I am submitting below a full report on conditions in the Severn System with regard to Big Chute and Swift Rapids development.

I have given first the result of our proportioning of the capital paid to the Simcoe Railway and Power Company for their complete plant. The amount against this item on our books at present is approximately \$475,560.00. This property was purchased for approximately \$474,000.00, but there has been an additional expenditure of \$1500 since the purchase which is made up of legal expenses etc. We have divided this amount in accordance with the valuation made of this System by Mr. Acres some two years ago plus the estimate made by Mr. Pace of the itemized additions to the system since the making of "Mr. Acres' valuation. The details of the valuation and additions were all given in my memo of April 29th. The proportion chargeable to the different sections is as follows:

As reflected in the books of the Commission the payments to the Simcoe Railway and Power Company amounted to \$475,305.38 and this sum, less an amount of \$150.37 representing minor charges in the property account to October 31, 1915, leaves a balance of \$475,355.01, which was spread upon the accounting records. The values, including intangibles, given effect to on the books as of that date and the valuations of the Commission's engineers set forth in the memorandum just referred to are as follows:



Particulars	Values Per Books	Engineer's Valuation
<b>Cost of Properties-</b>		
Big Chute Generating Plant-		
Station and Equipment	\$202,700.00	
Step-up Equipment	22,953.00	
Intangible values	124,011.00	
Plant (including intangibles of \$124,011.00)	\$349,529.01	\$349,724.00
Victoria Harbor Tap to Victoria Harbor	3,000.00	3,000.00
Victoria Harbor Distributing Station	3,200.00	3,850.00
Line Big Chute to Waubauskene, including towers	63,506.00	63,506.00
Line Waubauskene to Victoria Harbor Tap	10,330.00	10,330.00
Line Victoria Harbor Tap to Port McNicoll Tap	11,385.00	11,385.00
Port McNicoll Tap to Midland	8,250.00	8,250.00
Midland Station	21,385.00	21,385.00
<b>Total</b>	<b>\$470,555.01</b>	
Original property, sold prior to October 31, 1915, to Victoria Harbor-		
Victoria Harbor Distribution System	4,800.00	5,150.00
<b>Together</b>	<b>\$475,355.01</b>	<b>\$475,550.00</b>

Up to the time of purchase of the above described properties in 1914, the Commission purchased all the power required for the System from the Simcoe Railway & Power Company. Since the date of purchase, the power necessary for the System, has been generated by its own plant, with the exception of that purchased from the Sudell System, and the Eugenia System, as referred to later in this report.

In 1914, seven municipalities were taking power from the Commission and this number has been increased, until on October 31, 1921, seventeen municipalities and three other customers in the vicinity were taking power. A list of the municipalities is given on Exhibit IV and the other customers consist of-

Canadian Pacific Railway Company (Elevator)  
Camp Borden  
Department of Railways and Canals

With the exception of the agreement with Victoria Harbor



referred to later, the electrical power agreements in force at the date of acquisition of the Simcoe Company properties, were superseded by new agreements, providing for the municipalities assuming their proportion of the capital cost of the newly acquired properties. Excerpts from the standard form of new agreement - which extends for a period of thirty years from the date power was first taken thereunder - are set forth on Exhibit VI. In this connection the following is quoted from a memorandum dated November 1, 1922 from an Assistant Engineer to the Chief Engineer of the Commission:

"In November 1916 letters were sent out to all the Municipalities on the Severn System calling them in to a conference at this office at Toronto to discuss a changed form of agreement so that the Municipalities could participate in the generating station, and transmission lines purchased from the Simcoe Railway & Power Co., and the records show that a copy of this letter was sent to Victoria Harbor.

Meetings were held in all of the Severn System Municipalities with the exception of Waubaushene and Port McNicholl, which were a part of Tay Township and did not require the sanction of the rate-payers, and Victoria Harbor. All the Municipalities passed their by-laws and signed new contracts with the exception of Victoria Harbor, the Township of Tay signing a contract for Waubaushene and Port McNicholl.

I have searched the records very carefully to ascertain the reason why we did not arrange for Victoria Harbor to execute a new agreement and submit a by-law to the people covering same, but cannot find any reason. I have a very distinct recollection, however, that this matter was very carefully discussed at the time and that it was decided that it would not be necessary.

I beg to recommend that Mr. Pope go over this agreement and give his opinion as to whether the municipality is entitled to participate in all the profits of the system in a similar manner to the other municipalities, or, if a by-law should be submitted at the coming Elections to enable them to execute an agreement similar to the second agreement executed by the other municipalities."

In Exhibit VII are given excerpts from the agreement, dated August 26, 1915, between the Hydro-Electric Power Commission of Ontario and the Municipal Corporation of the Village of Victoria Harbor. The



basis set forth in this agreement for computing the cost of power, does not conform to that in the new standard form of contract, and the following, appearing in the standard form, has been omitted from the agreement with Victoria Harbor:

- (a) The Commission shall at least annually adjust and apportion the amount or amounts payable by the Municipal Corporation of Corporations for such power and such interest, sinking fund, cost of lost power and cost of generating, operating, maintaining, repairing, renewing and insuring said works.
- (b) It is hereby declared that the Commission is to be a trustee of all property held by the Commission under this agreement for the Corporation or Corporations supplied by the Commission, but the Commission shall be entitled to a lien upon said property for all monies expended by the Commission under this agreement and not repaid. At the expiration of this agreement the Commission shall determine and adjust the rights of the Corporation and any other (if any) supplied by the Commission having regard to the amounts paid by them respectively under the terms of this agreement, and such other consideration as may appear equitable to the Commission and are approved by the Lieutenant-Governor in Council.

Furthermore, the Victoria Harbor agreement stipulates that the Municipality shall pay the Commission, \$16.50 per horse power per annum for all power taken at the interswitching structure located on the Commission's transmission lines at the Village of Waubaushene. The cost of electrical power to Victoria Harbor has not been calculated on the basis of the contract, but according to the cost plan uniformly adopted for all the municipalities of the System. In view of the fact that a legal interpretation of this contract was suggested as desirable, by the Assistant Engineer in his memorandum of November 1, 1922, we would recommend, should further inquiry into this matter be advisable at this time, that it receive the attention of counsel of the Hydro-Electric Inquiry Commission.

Under date of November 11, 1915, an agreement was made between the Hydro-Electric Power Commission of Ontario and The Canadian



Pacific Railway Company, of Montreal, relative to the supply of electrical power or energy at what is known as the Port McNicholl terminal located within the Township of Tay in the Province of Ontario, for the purposes of the Railway Company in operating its various shops, grain elevator and other equipment and apparatus, and also for the purpose of lighting the various buildings of the Company at the same location. Among other stipulations it is agreed that the Company shall pay for electrical power at the rate of \$1.00 per horse power, per month, for service charge, together with a meter rate on a differential basis, also that a discount of 10% shall be allowed the Company by the Commission on monthly power bills, provided the Company shall make payment of the said monthly bill in such manner that the amount of same shall be received by the Commission before the 30th day of the following month. The agreement which extends for a period of 10 years, is divided into two separate and distinct parts, as follows:

- (a) Covering all power furnished by the Commission which may be used without restrictions by the Company for twenty-four hours per day, 365 days per year, subject however to the terms and conditions as set forth in the Agreement known and designated as Contract "A".
- (b) Covering all power furnished by the Commission which may be used by the Company during the season of navigation only, and with such use of same limited to the various hours and periods not classed as restricted, according to the terms and conditions as set forth in the Agreement known and designated as Contract "B".

CAPITAL INVESTMENT - \$1,406,947.24:

The investment in plant, equipment, etc. of the Severn System as at the close of each fiscal year for the five years ending October 31, 1931, was as follows (cents omitted):



<u>Particulars</u>	<u>As at</u>	<u>October</u>	<u>31</u>		
	<u>1917</u>	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
Power Development	\$ 361,906	\$ 351,528	\$ 635,890	\$ 649,767	\$ 652,253
Wood Pole Lines	406,351	527,295	547,404	552,267	559,977
Distributing Stations	98,491	166,874	168,339	179,250	184,564
Rural Lines (under construction)	-	-	-	-	53
<b>Total</b>	<b>\$ 868,347</b>	<b>\$1,245,697</b>	<b>\$1,349,633</b>	<b>\$1,381,274</b>	<b>\$1,406,847</b>

The increase in the investment in Power Development is accounted for principally by the expenditure of \$372,384.86, covering the cost of installing an additional unit, with the necessary penstock and equipment, in the generating plant at the Big Chute on the Severn River; the construction of a road between the generating station and the Canadian Pacific Railway, erection of machine shop and equipment for same, amounting to \$15,877.48, together with other sundry expenditures.

The increase in the investment in Wood Pole Lines is made up principally, of the cost of (a) constructing new lines to serve the municipalities of Alliston, Cockstown, Beeton, Tottenham and Bradford, amounting to \$118,044.28; (b) purchase, from the Town of Orillia, of the transmission line between Big Chute and Swift Rapids, amounting to approximately \$20,000; (c) replacing with aluminum cable at a cost of \$17,643.32, the original conductor wire on the Big Chute to Waubaushene line, and (d) sundry extensions and additional equipment to existing lines.

The increase in the investment in Distributing Stations represents expenditures to, and additional equipment installed in the sixteen stations in the system, the larger of the expenditures being in respect of-

Collingwood Station	\$22,481.17
Port McNicholl "	12,182.54
Midland "	12,636.90
Bradford "	11,174.42



The expenditures on Rural Power District construction increased from \$53.42 at October 31, 1921 to \$14,486.66 at August 31, 1922, the latest date of closing the accounts, and are in respect of 6.25 miles of primary lines, with necessary secondary lines for 87 consumers on Hurontario road, south from Collingwood. The line was put into operation on January 24, 1922 and at September 30 was serving 58 customers, while as from November 1 service will be given to 60 customers.

We submitted for your consideration under date of August 2, 1922, a memorandum relative to the analysis of capital assets. On Exhibit V, attached to that memorandum, will be found details in connection with the investment in Capital Assets of the Severn System, from the date of commencement, to October 31, 1921, prepared from the Accounting Department Records of the Hydro-Electric Power Commission of Ontario.

Estimate of Additional Funds Required for Construction - \$475,000.00:

It has been estimated by the Engineers of the Commission, as published in the "Estimates of the Province of Ontario", that additional funds of \$125,000 and of \$350,000, will be required for the Severn System in order to complete during the years ending October 31, 1922 and 1923, respectively, work now in progress and for additional works, betterments and extensions to be undertaken during these years, as follows:

Particulars	Year ending October 31	
	1922	1923
Port Severn Power Development	\$ 25,000	
Port Severn Power Development The power capacity of the Severn System is insufficient for the load demand and additional development is necessary		\$250,000
Miscellaneous Lines and Stations	50,000	50,000
Improvements and probable extensions to capacity of Barrie and Midland Stations, also minor betterments		
Rural	50,000	50,000
Extensions in existing, and establishment of new, rural districts		
<b>Totals</b>	<b>\$125,000</b>	<b>\$350,000</b>



It is recommended that a report on these estimates should be made by Mr. Walter J. Francis.

OPERATING ACCOUNTS:

The Operating Account of the Severn System for each of the four years ending October 31, 1921, is attached hereto Exhibit I, supported in turn by Exhibit Ia giving further details in respect of revenue and of power loads and rates and Exhibit Ib which is a detailed statement of overhead expenses. The following brief summary of the operating results for the four years, sub-divided according to municipalities and companies, is given (cents omitted):

Particulars	Year ending October 31			
	1918	1919	1920	1921
Revenue (per operating account)	\$100,920	\$171,324	\$165,947	\$183,913
Profit on power sold to private companies transferred to credit of municipalities	10,630	635	2,897	-
<u>Together</u>	<u>\$119,610</u>	<u>\$171,959</u>	<u>\$168,844</u>	<u>\$183,913</u>
Operating cost including power purchased	\$ 66,623	\$ 82,937	\$ 84,699	\$ 78,387
Fixed Charges	52,987	89,022	104,145	105,526
<u>Total Expenses</u>	<u>\$119,610</u>	<u>\$171,959</u>	<u>\$168,844</u>	<u>\$183,913</u>
<u>Balance</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Companies -				
Revenue (per operating account)	\$38,853	\$ 32,068	\$ 25,345	\$ 28,218
Operating Cost, including power purchased	\$ 15,652	\$ 16,300	\$ 8,093	\$ 11,614
Fixed Charges	12,571	15,124	14,355	15,502
<u>Total Expenses</u>	<u>\$ 38,223</u>	<u>\$ 31,433</u>	<u>\$ 22,448</u>	<u>\$ 27,116</u>



Particulars	Year ending October 31			
	1918	1919	1920	1921
Balance transferred to credit of municipalities in proportion to their maintenance costs	\$ 10,630	\$ 635	\$ 2,897	-
Balance transferred to Contingent Reserve	-	-	-	\$ 1,162
<b>Together (per Operating Account)</b>				
Operating Cost, etc.	\$ 82,275	\$ 99,246	\$ 72,702	\$ 98,001
Fixed Charges	65,568	104,146	118,500	121,028
<b>Combined Totals</b>	<b>\$147,833</b>	<b>203,392</b>	<b>\$191,292</b>	<b>\$211,029</b>
<b>Percentages of Fixed Charges to Total Expenses-</b>				
For Municipalities	44.30%	61.77%	61.68%	57.30%
For Companies	44.54%	48.11%	63.05%	57.17%
Combined	44.35%	61.30%	61.91%	57.35%

It should be mentioned that the profit or loss resulting from sales of power to Private Companies from the commencement of the System to October 31, 1920, has been credited to municipalities included in the System in proportion to the amounts of the maintenance costs of the System, paid by them, while for the fiscal year ending October 31, 1921, the profits have been transferred to the Reserve for Contingencies. In the report on the accounts of the Commission as at October 31, 1917, Mr. Clarkson states that -

"A net profit of \$43,754.04 was earned up to 31st October, 1917, by the system from power sold to corporations other than the municipalities who were liable for repayment of the capital cost of the works. This profit has been applied in reduction of the maintenance cost to be met by the municipalities."

It will be seen from the above summary that the municipalities were charged with the cost of power and the distribution thereof, and with that proportion of fixed charges which pertains to the power supplied; also, as just mentioned, that the municipalities obtained a measure of relief by the application of net profit from the sale of power to private



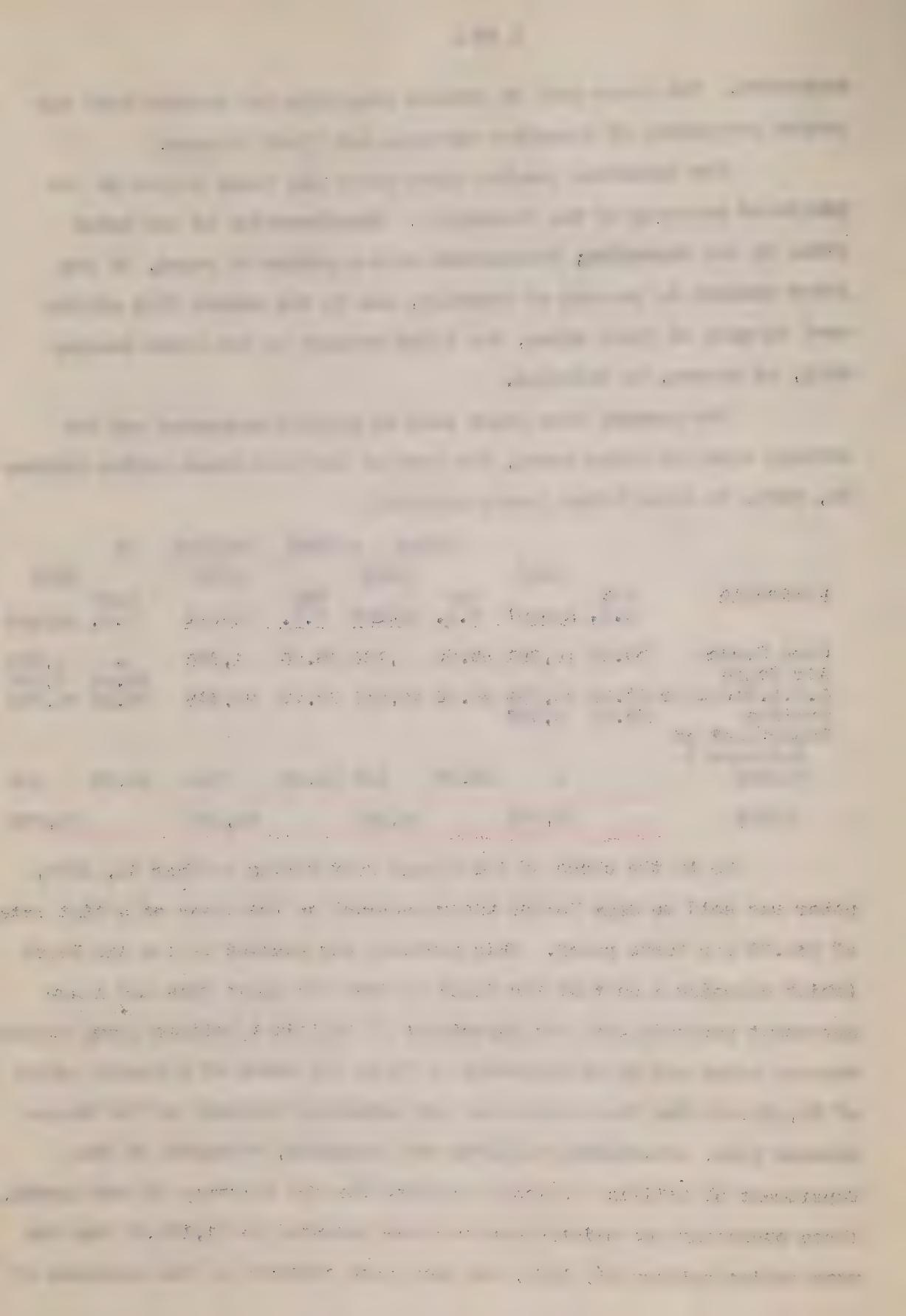
companies. The power sold to private companies was charged with its proper proportion of operating expenses and fixed charges.

The operating results shown above are those stated in the published accounts of the Commission. Consideration is now being given to the reduction, retroactive over a period of years, of the rates charged in respect of renewals, and to the extent that adjustment is made of these rates, the fixed charges in the above summary will, of course, be modified.

The revenue from power sold to private companies and the average rate per horse power, for each of the four years ending October 31, 1921, is given below (cents omitted):

Companies	Years ending October 31				1921
	1918 Per H.P. Amount	1919 Per H.P. Amount	1920 Per H.P. Amount	1921 Per H.P. Amount	
Camp Borden	35.00	10,001	35.00	6,120	35.00
Air Board				1,806	1,000
C.P.R. Elevator	27.00	22,766	28.05	25,814	27.77
Grillie	25.00	5,996		25,345	28.48
Department of Railways & Canals					24,986
Total		14.73	134 16.46	194	15.42
					194
		38,253	32,068	25,345	28,218

Up to the close of the fiscal year ending October 31, 1920, power was sold to Camp Borden under contract on the basis of a flat rate of \$35.00 per horse power. This contract was assumed by the Air Board (which occupies a part of the Camp) as from the above date and a new agreement was made with the Department of Militia & Defence (Camp Borden) whereby power was to be delivered to it on the basis of a yearly rental of \$1,000.00 plus the maintenance and operating expenses of the transmission line, sub-station building and equipment, belonging to the Department of Militia & Defence and used for the delivery of such power. These operating and maintenance expenses amounted to \$1,184.38 for the year ending October 31, 1921, and have been included in the accounts of



the Commission for that year. This amount was paid by the Department on April 6, 1922.

The operation of tie lines commenced in 1916, connecting the Masdell System with the Severn System and the latter with the Eugenia System. Up to October 31, 1920, the electrical power delivered by one system to another was charged for on the basis of \$25.00 per horse power. In 1921, it was decided by the Commission, that beginning with that year, the interchange of power between these systems would be at cost and not on the \$25.00 rate. With reference to the price to be paid, by the system receiving power, to the system supplying power, the Power Commission Act provides as follows:

- 23c The Commission shall have the right wherever physical connections may be made between any of the systems operating under this Act to make the necessary connections so as to divert power from any one system to any other system, and the means of such connection, and the price to be paid by the system receiving such power to the system supplying such power shall in all cases be determined by the Commission, and the cost of the power so taken by any one system from any other shall be dealt with by the Commission under the provisions of the Act as the cost or part of the cost of the power to be paid by the municipalities forming part of such system under their contracts with the Commission. 8 Geo.V, c. 14, s. 13, part.
- 23d The price payable for power by one system to another shall be collected by the Commission from the system owing the same for the system entitled to receive the same, and all sums so paid to any system shall be applied to the cost of construction, maintenance and operation of such system in such manner as the Commission may direct. 8 Geo.V, c. 14, s. 13, part.
- 24-(1) The Commission shall annually adjust and apportion the amounts payable by municipal corporations under the next preceding section. R.S.O. 1914, c. 30, s.24.
- (2) The Commission shall also annually adjust and apportion among the municipalities all such expenditures made by the Commission in exercise of the powers conferred upon the Commission by this Act, as have been incurred for on behalf\* of the municipalities.
- (3) The adjustment and apportionment made by the Commission shall be final and binding upon the municipal corporation. 8 Geo. V, c. 14, s. 14.

NOTE - This is the wording of the Act. Presumably the words "for or on behalf" are intended.



The quantities of horse power of electrical energy delivered by the Eugenia and the Wasdell Systems to the Severn System together with the power generated by the latter, are as follows:-

<u>Particulars</u>	<u>Year</u>	<u>ending</u>	<u>October</u>	<u>31</u>
	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
Received from Eugenia System	*1381.7	*1078.5	17.0	46.0
" " Wasdell "	365.0	620.4	496.7	426.6
Generated by Severn System	4163.9	4122.5	5179.0	4968.2
Total average Horse Power	5910.6	5821.4	5692.7	5446.8

\* NOTE.

With line loss deducted  
the H.P. will be      1337      1047

By the tie line connecting the Severn System with the Eugenia System either system may draw power from the other in case of emergency, but the other tie line, provides only, that Wasdell System may serve Severn System. In the year ending October 31, 1921, the Severn System received, on an average, 46 horse power more than it delivered to Eugenia System. The two systems, commencing in 1921, were required to pay the maintenance expenses, together with the interest charges and provisions for renewals, contingencies and sinking fund in connection with the tie line, in proportion to the total quantity of power delivered to the municipalities and private customers on each system.

The profit or loss (on the basis of cost of power) to the Eugenia and Wasdell Systems on power delivered to Severn System, in each of the four fiscal years ending October 31, 1921, has been credited or charged to the Municipalities included in those systems. The result of the charges, as outlined in the foregoing, to the Severn System for power delivered thereto as compared with the cost of power - on the cost plan adopted - to these Systems, is summarized below:



Power Supplied by Eugenia System:

<u>Particulars</u>	<u>Year ending October 31</u>			
	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
Revenue collected from Severn System \$34,541	\$26,961	\$ 436	\$ 6,418	
Operating Costs, including Fixed Charges	25,242	25,270	9,218	6,390
 Excess or Deficiency in amount paid for power by Severn System to Eugenia System as compared with cost of the power to Eugenia System		\$ 9,299	\$ 1,691	\$ 0,722
				\$ 28

An explanation of the conditions existing in 1920 causing an apparent loss of \$0,722 set forth above, is given in our report on the Eugenia System under "Operating Account".

Power Supplied by Wadell System:

<u>Particulars</u>	<u>Year ending October 31</u>			
	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
Revenue collected from Severn System \$ 9,125	\$15,500	\$12,417	\$12,363	
Operating Costs, including Fixed Charges	12,312	14,920	14,712	12,363
 Excess or Deficiency in amount paid for power by Severn System to Wadell System as compared with cost of power to Wadell System	\$ 1,817	\$ 89	\$ 2,295	\$ -

Summary of Eugenia and Wadell Systems:

<u>Particulars</u>	<u>Year ending October 31</u>			
	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
Revenue collected from Severn System \$43,666	\$42,470	\$12,883	\$18,751	
Operating Costs, including Fixed Charges	37,554	40,190	23,930	18,753
 Excess or Deficiency in amount paid for power by Severn System as compared with the combined cost of power to the Eugenia and Wadell Systems	\$ 6,112	\$ 2,280	\$ 11,077	\$ 28

For the period from the commencement, to October 31, 1917, the profits amounted to \$0,935.28 and \$7,498.77 respectively, for the



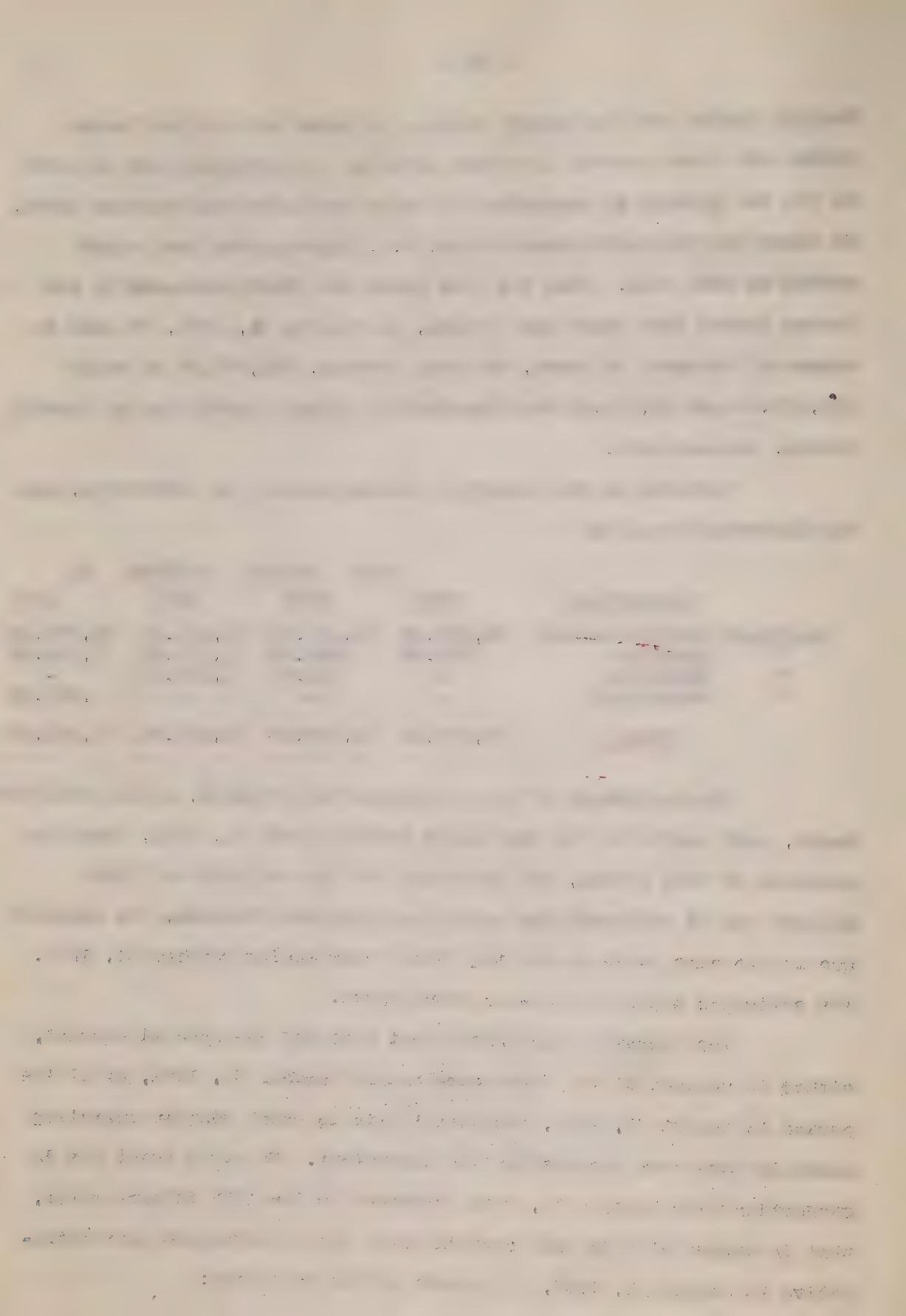
Eugenia System and the Wadell System, on power sold to the Severn System and these amounts have been credited to municipalities included in the two Systems in proportion to their respective maintenance costs, as stated in the audit report of Mr. G.T. Clarkson for the period ending on that date. From the time power was first purchased by the Severn System from these two Systems, to October 31, 1921, it paid in excess of the cost of power, to those Systems, \$14,777.00 of which \$12,171.00 and \$2,606.00 were received by Eugenia System and by Wadell System, respectively.

Included in the Municipal expense account on Exhibit Ib, are the following expenses:

Particulars	Year ending October 31			
	1918	1919	1920	1921
Municipal Administration	\$1,807.08	\$3,612.04	\$2,664.07	\$3,372.16
" Auditors	373.25	607.55	1,252.87	1,156.90
" Engineers	-	517.70	1,660.31	-
" Department	-	-	-	1,301.26
<b>Total</b>	<b>\$2,179.33</b>	<b>\$4,737.59</b>	<b>\$5,526.35</b>	<b>\$5,819.92</b>

The Accountant of the Commission has prepared, on an estimated basis, each month for the ten months ending August 31, 1922, Operating Accounts of this System, and excepting for the estimates of fixed charges and of extraordinary maintenance included therein, the accounts are on the same basis as for the fiscal year ending October 31, 1921. The estimates appear to be on a sound basis.

The Operating Accounts do not call for any special comment, either in respect of the four years ending October 31, 1921, or of the period to August 31, 1922, the latest date to which monthly operating accounts have been prepared by the Accountant. We would point out in connection with Exhibit Ia, with reference to the 1922 interim rates, that in August of this year certain rates were changed and made retro-active to January 1, 1922, in respect of the following:



<u>Municipality</u>	<u>Original Interim Rate 1922</u>	<u>Revised Interim Rate</u>
Alliston	\$ 60.00	\$ 65.00
Collingwood	36.00	45.00
Creamore	65.00	70.00
Port Medichell	65.00	40.00
Stayner	40.00	45.00

RESERVE FOR RENEWALS- \$227,347.21:

The balance in the Reserve for Renewals in respect of properties of the Severn System amounted at October 31, 1921, to \$227,347.21 and may be briefly summarized as follows:

<u>Period</u>	<u>Provision</u>	<u>Interest at 4%</u>	<u>Together</u>
1912 to October 31, 1916	\$ 54,157.60	\$ 2,064.93	\$ 56,212.53
Fiscal year ending October 31,			
1917	26,991.17	2,241.06	23,232.23
1918	24,575.67	3,177.79	27,753.46
1919	34,930.22	4,287.93	39,218.15
1920	37,885.05	5,856.65	43,739.70
1921	37,905.42	7,000.21	45,911.63
<u>Together</u>	<u>\$210,443.22</u>	<u>\$ 25,224.57</u>	<u>\$235,667.79</u>
Add- Renewals provided on equipment transferred from other systems		\$ 223.50	
Interest applicable to above		5.58	230.08
<u>Total</u>			<u>\$235,896.87</u>
Deduct-			
Portion of Reserve applicable to equipment transferred to other systems		\$ 3,664.11	
Replacing roofs, side blocks, etc.		763.42	
Renewals of Insulators, Crossarms, Switches, etc.		<u>3,473.36</u>	
Interest applicable to above charges		\$ 7,960.89	
		548.77	5,549.66
<u>Balance, at October 31, 1921</u>			<u>\$227,347.21</u>

Additions to the Reserve for Renewals are provided through the



inclusion in the cost of power of an annual charge equivalent to 2.75% of the capital investment. Interest at the rate of 4% per annum on the balance in the Reserve Account is credited to that account. This method of providing additions to the reserve, known as the sinking fund basis, is equivalent, provided no charges are made to the account, to a so-called straight line provision of approximately 4.25% on the properties for a period of twenty-three years. That is, while the annual provisions under the two methods differ in amount, either method would, subject to the question of charges just mentioned, accumulate the required sum in approximately twenty-three years.

The annual rate of 2.75% was based upon a reclassification made by the Commission's engineers, of the properties of the System at October 31, 1916. The reclassification, and the residual values of the various classes of property are set forth in detail on Exhibit II.

An analysis of the Capital Investment Account of the Severn System similar to that of October 31, 1916, shown in Exhibit II, has been prepared by the Engineering Department of the Commission as of a more recent date, and with this new analysis as a basis, we are informed, the Commission is giving consideration to the advisability of reducing the rate with a consequent revision of the entire Renewal Reserve Account.

RESERVE FOR SINKING FUND- \$59,961.23:

Under Section 23, paragraph (b) of the Power Commission Act, the Hydro-Electric Power Commission is required to provide-

"An annual sum sufficient to form in thirty years with interest at four per cent. per annum a sinking fund for the payment of the advance made by Ontario under this Act for the payment of the cost of the works."

and under the same Section, the second main paragraph-

"A Municipal Corporation which has entered into or shall hereafter enter into a contract with the Commission for a supply of power may be relieved by the Commission from payment of any



sum on account of the sinking fund account for the first five years, during which payments are made to the Commission by the Corporation under such contract, and the amounts required from such corporation on sinking fund account shall be payable during the then next ensuing thirty years."

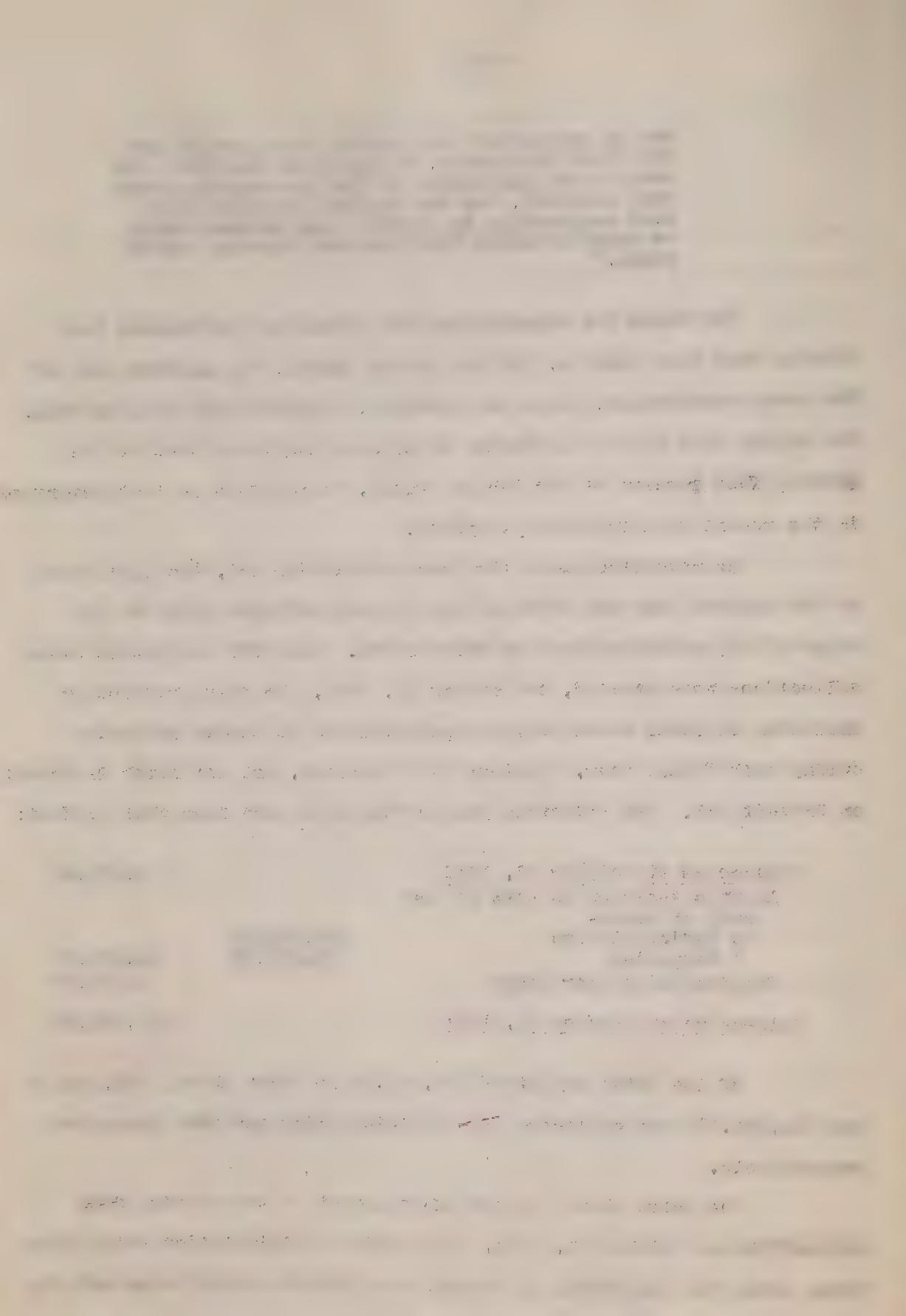
The basis for ascertaining the amount of the Reserve for Sinking Fund each year is, for the Severn System, the capital cost of the power development, lines and stations, completed and in operation. The method used by the Commission in calculating the amount of the sinking fund reserve of the Severn System, is the same as that described in the report upon the Niagara System.

As permitted under the Power Commission Act, the collection of the sinking fund was deferred for a period of five years in the cases of all municipalities in this System. From the respective dates collections were started, to October 31, 1921, the sums provided by inclusion in power costs to municipalities and to sundry companies during each fiscal year, together with interest, are set forth in detail on Exhibit III. The following summary has been made from that Exhibit:

<u>Balance as at October 31, 1916</u>		<u>\$ 1,494.54</u>
Amounts included as part of the cost of power-		
To Municipalities	<u>\$41,910.21</u>	
" Companies	<u>13,434.75</u>	<u>55,394.96</u>
Interest at 4% per annum		<u>3,071.72</u>
<u>Balance as at October 31, 1921</u>		<u>\$59,961.23</u>

Of the total amount of \$59,961.23 as shown above, \$43,614.47 and \$16,346.75 were collected from municipalities and from companies, respectively.

The above shows the aggregate amount of the sinking fund collectible at October 31, 1921, from eleven municipalities which have taken power for six years, or longer, the initial charge being made in



the sixth year's power cost. The sinking fund charges deferred at October 31, 1931, amounted to \$44,741.47, representing deferrals, as permitted by the Act, for a period of from two to four years in respect of sixteen municipalities. In this connection it may be stated that, of the seventeen municipalities in the Severn System as at October 31, 1931, one municipality (Penetanguishene) had paid all charges against it, while six municipalities had made no payments into the sinking fund as the five years' period had not elapsed.

Included in Mr. G.T. Clarkson's report on the accounts of the Hydro-Electric Power Commission of Ontario, is a statement (Schedule 44) which shows the total sinking fund requirements to be met by each municipality, together with other information incident thereto. It is suggested that this statement be carefully perused since it shows the position of each municipality with regard to the sinking fund against the capital investment of the System.

RESERVE FOR CONTINGENCIES- \$7,128.08:

The Reserve for Contingencies has been established by the Commission for the purpose of providing for special losses or expenses not arising at regular intervals and not wholly applicable to the period in which incurred. The creation of such a Reserve is sanctioned by Section 14b, of the Power Commission Act.

The Reserve for Contingencies is provided by means of -

- (a) An annual charge of 25 cents per horse power on average power supplied each year to municipalities comprising the System and to Private Companies
- (b) Other credits representing profits realized on sales of power to Private Companies
- (c) Profit from sales of miscellaneous equipment
- (d) Interest at 4 per cent. per annum



For the purpose of showing in detail the changes which have taken place in the account since its inception to October 31, 1921, we have attached hereto, Exhibit III of which the following is a brief summary:

Amounts included as part of the cost of power delivered-

To Municipalities	\$ 5,514.26	
" Sundry Customers	<u>1,865.90</u>	\$ 7,383.26
Net profit from sale of power to sundry customers		1,102.50
Net profit on sales of sundry equipment		4,736.62
Interest at 4% per annum on balances at beginning of year		<u>1,017.41</u>
<u>Total Credits</u>		\$14,239.78
Deduct- Expenditures to cover Contingencies met with-		
1919	\$ 4,811.82	
1920	1,063.30	
1921	<u>1,236.50</u>	<u>7,111.70</u>
<u>Balance as at October 31, 1921</u>		<u>\$ 7,128.08</u>

The more important items entering into the charge of \$4,811.82 against the Reserve in 1919, are, (1) an amount of \$3,918.75 being the difference between the purchase price, including original installation costs in Collingwood, and the selling price of Canadian General Electric generator transferred to Eugenia System, and (2) an amount of \$555.90, being the installation costs of 66" gate valve transferred to stores, plus cost of removing and other incidental expenses. Included in the charge of \$1,063.30 in the year ending October 31, 1920, is an item amounting to \$297.84 covering the cost of tearing down and rebuilding a transformer damaged by lightning at Thornton Station.

The balance of the charges to the Reserve consist of sundry small items, which are not considered to be of sufficient importance



to comment upon.

Giving consideration to the extent of the properties and the probability of losses and expenses arising from storms, accidents or other unforeseen conditions, we would recommend that a substantial reserve be maintained in connection with this System as, in our opinion, the policy adopted by the Commission of providing the Contingent Reserve, is sound.

ACCOUNTS WITH MUNICIPALITIES:

Accounts with municipalities are sub-divided by the Commission as follows:

Power Accounts Receivable  
Due by or to Municipalities in  
respect of the Cost of Power  
furnished them as determined  
under the Power Commission  
Act

Power Accounts Receivable- \$43,621.00:

These accounts represent unpaid balances in respect of interim power bills rendered, which at October 31, 1921, amounted to \$43,621. As at September 20, 1922, the date inquired into by us, with the exception of amounts aggregating \$809.09, listed below, all accounts as at October 31, 1921, were paid.

Municipality	Amount	Period Covered
Beeton	\$325.03	October 1921, balance
Bradford	333.90	January to April 1920
Thornton	150.16	January to April 1920
<u>Total as above</u>	<u>\$809.09</u>	

The foregoing balances represent increases in interim rates per horse power, charged by the Commission during the periods shown above, inclusive of interest at seven per cent. per annum, added from the sixteenth day following the presentation of interim bills, to the



respective Municipalities. These balances are said to be good and collectible.

Due by or to Municipalities in Respect of the Cost of Power-  
Accounts Receivable \$56,175.48  
Accounts Payable \$ 2,705.54

At the close of each fiscal year the interim power bills, rendered monthly, are adjusted to meet the operating costs of the system, determined as provided for in Sections 6e and 23 of the Power Commission Act. A list of the balances due by or to Municipalities as at October 31, 1921, is given on Exhibit IV, attached hereto. Following are the amounts of the adjustments required of interim power bills rendered each year, for the four years ending October 31, 1921 (cents omitted):

Particulars	Year ending October 31			
	1918	1919	1920	1921
Amount due by certain Municipalities being the excess of the cost of power over the sum charges therefor, during the period	\$ 6,373	44,427	17,637	24,830
<u>Deduct-</u>				
Accounts due to certain Municipalities, being the excess of the sum charged for power furnished, over the cost of power during the period	17,350	-	6,230	4,311
Net amount due by or to certain Municipalities, based on the adjust- ment of cost, as provided for by the Act	\$17,920	44,427	11,409	20,519

As a result of the charges or credits such as the above, as at October 31, 1921, as shown on Exhibit IV, four municipalities had credit balances of \$2,705.54, representing over-payments, interest allowances thereon, etc., and thirteen municipalities had debit balances aggregating \$56,175.48, representing under-payments, interest charges thereon, etc.

For the purpose of ascertaining the length of time the debit balances included in the sum of \$56,175.48 were outstanding, we have



prepared and have attached hereto (Exhibit V) a statement which shows in respect of the account due by each municipality at October 31, 1921, the period by fiscal years over which the balance extends. While the accounts were inquired into by us at September 20, 1922, covering the period subsequent to October 31, 1921, during which few payments had been made, we have since learned that on September 27, 1922, the Municipality of Midland paid in full its account of \$12,462.64. The more important features to which we would draw your attention in connection with the study of this Exhibit are-

- (1) But one credit is in respect of each payment
- (2) The majority of the accounts show charges one year after another indicating, in these instances, that the interim rates do not cover the actual cost of power
- (3) As indicated by the column headed "year" it will be observed that numerous accounts extend back over a period of years.

With reference to the extension of time for payment of accounts of municipalities, the Power Commission Act provides as follows:

"The Commission may from time to time during the first three years after any municipality shall first begin to take power from the Commission extend the time for payment of the sums payable by any municipality or any part thereof, and such municipality shall pay to the Commission interest on the amount which may be in arrear or for the payment for which time is extended until the payment thereof, at such rate not exceeding seven per cent. per annum as the Commission may determine." (Section 23a of the Act)

It may be well to point out in connection with these accounts due by municipalities, that in view of the fact that consideration is now being given to the reduction, retroactive over a period of years, of the renewal rates, that these accounts will be correspondingly reduced upon the apportionment of the amount of the adjustment, provided the same practice is followed as for other Systems, where the municipalities received credit.

Yours very truly,

*Price Waterhouse & Co.*



## HYDRO - ELECTRIC POWER COMMISSION OF ONTARIO

## DEPARTMENT SYSTEM - OPERATING ACCOUNT

Year ending October 31

Particulars	1918	1919	1920	1921
<b>REVENUE:</b>				
Municipalities	\$106,980.32	\$171,324.01	\$165,947.31	\$128,912.77
Private Companies	26,862.73	32,068.01	26,345.84	28,218.45
	<b>\$147,832.05</b>	<b>\$203,392.02</b>	<b>\$191,292.35</b>	<b>\$122,131.22</b>
<b>COST OF OPERATING INCLUDING PORTION OF ADMINISTRATIVE EXPENSES:</b>				
Power purchased from Eugenia and Wardell Systems				
Power Development and Transformer Stations, etc.-				
Operating-				
Labor	\$ 43,666.57	\$ 42,470.10	\$ 12,852.91	\$ 18,781.86
Material and Expense	9,067.18	12,543.79	12,630.76	8,047.00
Maintenance-	2,323.85	2,954.27	2,836.60	12,021.15
Land, Buildings and Structures				
Electric Equipment	630.14	1,441.22	2,087.17	2,118.04
Switchboards and Meters	1,532.63	3,138.01	1,275.49	1,665.76
Miscellaneous Equipment	1,245.78	978.54	1,095.30	1,408.50
Taxes, Insurance and General Expense	1,977.36	3,449.25	1,423.79	3,363.40
	307.80	1,540.34	476.12	568.52
Transmission Lines -				
Maintenance-				
Patrolling	4,443.21	6,158.99	4,609.82	7,779.94
Pole Lines	2,188.61	956.66	2,822.02	6,065.70
Conductors and Cables	1,450.26	360.74	875.27	192.38
Miscellaneous Expense	5,376.16	4,620.17	3,511.17	2,071.75
Overhead Expenses, per attached statement	7,812.02	18,604.24	26,294.24	26,886.81
Total Expenses	<b>\$ 82,274.75</b>	<b>\$ 99,246.41</b>	<b>\$ 72,792.56</b>	<b>\$ 90,000.81</b>
Balances before deducting Fixed Charges	<b>\$ 65,558.20</b>	<b>\$104,145.61</b>	<b>\$118,500.39</b>	<b>\$122,130.41</b>
<b>REDUCTION - FIXED CHARGES:</b>				
Interest on Capital Investment	\$ 35,746.43	\$ 55,041.16	\$ 62,755.09	\$ 62,716.22
Provision for Renewals	24,376.67	34,930.22	37,283.05	37,905.42
Provision for Sinking Fund	5,758.43	12,716.86	16,439.21	19,046.04
Provision for Contingencies	1,477.67	1,457.35	1,423.13	1,360.32
	<b>\$ 65,558.20</b>	<b>\$104,145.61</b>	<b>\$118,500.39</b>	<b>\$121,027.91</b>
Net Profit (representing profit on power sold to Private Companies, undistributed to Municipalities)	-	-	-	1,102.50
Appropriation of Net Profit on power sold to Private Companies, credited to Reserve for Contingencies	-	-	-	1,102.50



## HYDRO - ELECTRIC POWER COMMISSION OF ONTARIO

## SEVERN SYSTEM

ANALYSIS OF REVENUE FROM MUNICIPALITIES AND OTHER  
CONSUMERS, TOGETHER WITH HORSE POWER LOADS AND RATES.  
(Subsidiary to Operating Report)

Particulars	Year ending October 31, 1918			Year ending October 31, 1919			Interim Rates	
	Revenue	Average Horse Power	Actual Cost per H. P. (Adjusted)	Revenue	Average Horse Power	Actual Cost per H.P. (Adjusted)	To April 30, 1919	To October 31, 1919
<b>MUNICIPALITIES:</b>								
Alliston (June 1918)	\$ 2,352.12	30.8	(A) \$ 76.37	\$ 40.00	\$ 6,950.25	96.5	\$ 72.02	\$ 40.00
Barrie	11,084.24	482.8	22.96	31.00	17,381.50	584.2	31.36	51.00
Beeton (August 1918)	1,732.82	20.6	(A) 84.12	45.00	7,189.83	91.4	78.56	45.00
Bradford (October 1918)	328.86	2.1	(A) 156.60	47.00	4,858.64	28.9	168.11	47.00
Coldwater	1,384.95	37.2	37.23	28.00	2,495.97	48.5	51.46	28.00
Collingwood	42,511.11	1831.5	23.21	30.00	52,025.51	1443.8	36.03	30.00
Cookstown (May 1918)	1,193.75	21.4	(A) 55.78	35.00	3,005.06	52.7	57.02	35.00
Creamer	2,233.79	42.	53.18	54.13	2,878.51	45.8	62.85	54.13
Elmvale	3,195.15	135.1	23.65	31.00	4,267.17	119.7	35.55	31.00
Midland	25,161.47	1345.4	18.70	19.00	36,713.30	1376.2	26.68	19.00
Penetang	12,121.43	461.2	26.28	22.00	20,004.24	633.6	31.57	22.00
Port McNicoll	975.86	21.	46.37	25.00	1,491.73	24.7	60.59	25.00
Stayner	2,601.73	86.7	30.01	35.00	4,649.01	115.4	40.29	35.00
Thornton (November 1918)	-	-	-	-	1,211.41	7.6	159.39	43.00
Tottenham (October 1918)	292.06	2.6	(A) 112.33	51.00	3,499.21	30.5	114.75	51.00
Victoria Harbor	1,147.42	27.7	41.42	35.00	1,762.24	35.2	50.06	35.00
Waubaushene	665.46	20.2	32.94	25.00	940.43	20.5	45.87	25.00
Total	\$108,980.22	4568.3	-	-	\$171,324.01	4725.2		
<b>OTHER CONSUMERS:</b>								
Camp Borden	\$ 10,090.55	288.3	\$ 35.00	\$ 35.00	\$ 6,120.23	174.9	\$ 34.99	\$ 35.00
Canadian Pacific Railway, Elevator				K.W.H. Rates			K.W.H. Rates	
Port McNicoll	22,765.99	814.2	27.96	plus 12.00	25,813.79	920.2	28.05	plus 12.00
Orillia	5,996.19	239.8	25.00	25.00	-	-	-	-
Department Railways and Canals	-	-	-	-	133.99	9.1	14.72	K.W.H. Rates plus 12.00
TOGETHER as per Operating Account (Exhibit I)	\$147,832.95	5910.6			\$203,392.02	5829.4		

## NOTE:

(A) Electrical power delivered to these municipalities during part of the year only, has been put on an annual basis.



Particulars	Year ending October 31, 1920						Year ending October 31, 1921					
				Interim Rates per H.P.						Interim Rates per H. P.		
	Revenue	Average Horse Power	Actual Cost per H. P. (Adjusted)	To January 1, 1920	To October 31, 1920	Revenue	Average Horse Power	Actual Cost per H. P. (Adjusted)	To December 31, 1920	To October 31, 1921		
<b>MUNICIPALITIES:</b>												
Alliston	\$ 8,573.38	132.0	\$ 64.95	\$ 40.00	\$ 50.00	\$ 8,962.24	133.5	\$ 67.13	\$ 50.00	\$ 60.00		
Barrie	19,332.83	665.8	29.04	29.00	29.00	27,278.84	788.6	34.59	29.00	29.00		
Beeton	6,741.20	88.3	76.34	45.00	85.00	7,196.47	87.5	82.24	85.00	85.00		
Bradford	5,224.16	41.0	127.41	47.00	75.00	5,967.51	53.0	112.59	75.00	75.00		
Coldwater	2,189.15	56.8	38.54	40.00	50.00	3,050.98	67.9	44.93	50.00	60.00		
Collingwood	48,500.76	1336.9	36.28	28.00	28.00	42,803.43	859.0	49.83	28.00	36.00		
Cookstown	3,105.84	61.1	50.83	35.00	60.00	3,279.25	57.5	57.03	60.00	60.00		
Creemore	3,215.05	46.1	69.74	60.00	65.00	3,471.03	46.2	75.13	65.00	65.00		
Elmvale	4,286.74	141.2	30.37	31.00	37.00	5,753.71	150.8	38.15	37.00	37.00		
Midland	28,511.22	1112.5	26.65	20.00	28.00	36,557.76	1218.3	30.01	28.00	32.00		
Penetang	22,484.28	839.9	26.77	22.00	32.00	23,840.57	759.5	31.39	32.00	30.00		
Port McNicoll	1,670.87	35.9	49.29	35.00	85.00	1,474.59	37.7	39.11	85.00	85.00		
Stayner	4,477.82	120.0	37.31	35.00	40.00	5,341.90	115.5	46.25	40.00	40.00		
Thornton	1,175.51	11.1	105.90	43.00	85.00	1,429.91	12.3	116.25	85.00	85.00		
Tottenham	3,462.41	28.4	121.91	51.00	85.00	4,115.80	35.2	116.93	85.00	90.00		
Victoria Harbor	2,057.87	48.9	42.08	35.00	50.00	2,154.89	47.0	45.85	50.00	45.00		
Waubaushene	936.22	24.8	37.75	30.00	45.00	1,263.89	23.2	53.18	45.00	45.00		
Total	\$165,947.31	4788.7				\$183,912.77	4492.7					
<b>OTHER CONSUMERS:</b>												
Camp Berden	\$ 1,805.75	51.6	\$ 35.00	\$ 35.00	\$ 35.00	\$ 3,037.90	58.2	\$ 52.20	(Air Board 35.00 H.P. from ( September 1920 ( Militia \$1000 - year			
Canadian Pacific Railway, Elevator Port McNicoll	23,345.58	840.6	27.77	K.W.H.Rates plus 12.00		24,986.27	877.3	28.48	K.W.H.Rates plus \$12.00			
Department Railways and Canals	194.31	11.8	16.47	K.W.H.Rate plus 12.00		194.28	12.6	15.42	K.W.H.Rate plus 12.00			
TOGETHER as per Operating Account (Exhibit I)	\$191,292.95	5692.7				\$212,131.22	5440.8					



HYDRO-ELECTRIC POWER COMMISSION OF ONTARIOSAVON SYSTEMSTATEMENT OF HORSE POWER LOADS AND RATES FOR  
THE TEN MONTHS ENDING AUGUST 31, 1922

Particulars	Average Horse Power	Rates per H. P.			
		To January 1	January 1 Original	to August 31 Adjusted	Retroactive to January 1
Alliston	110.6	\$ 60.00	*\$ 60.00	\$	65.00
Barrie	841.5	29.00	29.00		
Beeton	74.8	85.00	85.00		
Bradford	58.5	75.00	75.00		
Coldwater	70.8	60.00	60.00		
Collingwood	1140.9	36.00	*	36.00	45.00
Cookstown	52.5	60.00	60.00		
Creemore	49.2	65.00	*	65.00	70.00
Elmvale	148.2	37.00	37.00		
Midland	1253.4	32.00	32.00		
Penetang	657.	30.00	30.00		
Port McNicoll	42.4	85.00	*	85.00	40.00
Stayner	119.6	40.00	*	40.00	45.00
Thornton	13.7	85.00	85.00		
Tottenham	39.3	90.00	90.00		
Victoria Harbor	46.	45.00	45.00		
Waubaushene	25.3	45.00	45.00		
Air Board, Ottawa Canadian Pacific Railway, Port McNicoll	100.5	\$35.00 H.P. plus \$3.33 month K.W.H. Rates plus 12.00			
Department of Railways and Canals	551.2	K.W.H. Rate plus 12.00			
	8.8	K.W.H. Rate plus 12.00			

\*NOTE-

The original rates, in cases of adjustment of rates were used in Interim Power Bills from January 1 to June 30, 1922.



## DEPARTMENT SYSTEM - OVERHEAD EXPENSES -

(Subsidiary to Operating Statement)

Particulars	Year ending October 31st.,			
	1918	1919	1920	1921
Operating Department Head Office-				
Salaries	\$ 2,261.78	\$ 4,003.95	\$ 5,602.23	\$ 4,816.84
Expenses	753.01	1,732.55	345.18	322.03
Miscellaneous Expense	141.12	2,044.05	868.71	28.05
Automobile Expense	-	3,361.07	1,182.04	-
Field Office Salaries	-	-	4,361.46	1,258.49
Field Office Expenses	-	-	-	451.72
Field Office Miscellaneous Expenses	-	-	-	399.79
Camp Operating Balance	-	-	371.12	608.90
All Stations and Lines Undistributed Expense	-	1,040.76	130.54	1,166.08
Truck and Car Undistributed Expenses	-	-	3,871.58	2,762.26
Orifice Line Rental	-	750.00	750.00	750.00
Municipal Expenses	2,179.33	4,739.59	5,581.25	5,919.02
Estimating Department	120.77	304.55	477.56	-
Hydraulic Engineering Department	-	-	426.25	409.31
Overhead operating Expense	-	-	376.85	1,178.23
Executive Expense	-	-	1,067.27	748.11
Extraordinary Maintenance	-	254.68	235.58	1,466.04
Electric Engineering Department	-	-	267.55	94.80
General Expenses	2,346.01	334.06	-	-
Rate Department	-	-	-	362.94
Plant Inventory	-	-	-	48.50
Depreciation on Tools	-	-	-	244.52
Garage Operation Balance	-	-	-	426.68
Proportionate Share of handling Maintenance Stores	-	-	-	1,007.97
Laboratory Operation	-	-	-	715.47
Pole Loss	-	-	-	1,143.14
<b>Total</b>	<b>\$ 7,812.02</b>	<b>18,604.24</b>	<b>26,294.24</b>	<b>26,886.01</b>



## HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

## SYSTEM

## STATEMENT SHOWING BASIS OF ANNUAL RATE FOR THE RESERVE FOR DEPRECIATION

Particulars	Capital Investment (October 31, 1916)		Estimated Residual Values		Reserve to be Provided
	Total Amount	Estimated Life (in years)	% of Investment	Amount	
				% of Investment	
<u>LINES:</u> Right-of-Way Pole Lines Cable Together	\$ 5,370. 205,732. 126,395.	- 12 50	100 - 60	\$ 5,370. - 75,637.	\$ - 13,558.77 331.17
	335,497.	-	-	\$ 1,207.	264,200.
					15,880.94
<u>STATIONS:</u> Sites Buildings Electrical Equipment	\$ 1,245. 12,939. 64,175.	- 30 16	100 4 20	\$ 1,245. 518. 12,835.	\$ - 12,421. 51,340.
	78,357.	-	-	\$ 14,596.	63,761.
					2,573.87
<u>POWER PLANT:</u> Excavating, Dewatering, etc. Penstocks and Valves Turbines Concrete Miscellaneous Steel Lumber, Houses, etc. Electrical Equipment	\$ 27,899. 11,225. 43,161. 59,620. 2,279. 16,782. 41,795.	- 40 17 100 30 20 16	100 10 5 - 5 5 20	\$ 27,899. 1,122. 2,158. - 114. 836. 8,359.	\$ - 10,101. 41,003. 59,620. 2,165. 15,943. 35,437.
	202,760.	-	-	\$ 40,491.	162,269.
					3,990.83
<u>SET-UP EQUIPMENT</u>	\$ 23,110.	16	20	\$ 4,622.	\$ 18,488.
Totals -	\$ 639,735.	-	-	\$ 140,916.	\$ 498,808.
ADD - Intangibles	124,011.	-	100	\$ 124,011.	-
Together	\$ 763,735.	-	-	\$ 264,927.	\$ 498,808.
					21,301.76
					2.79

## RECONCILIATION WITH BOOK FIGURES

Total Capital Investment per books	\$ 765,145.00
Deduct - Non-operating Capital (work under construction)	1,410.00
Balance, as above -	\$ 763,735.00

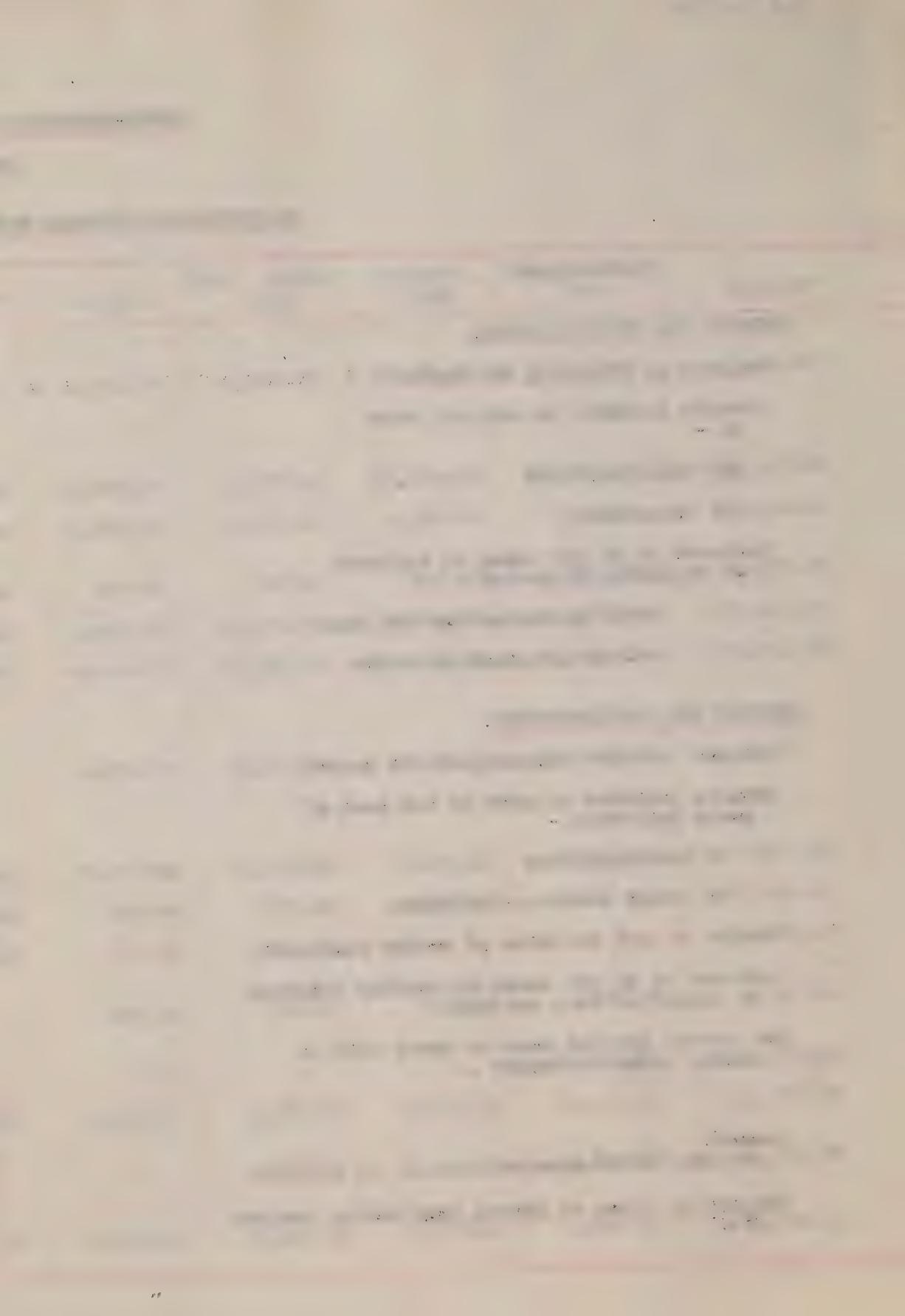


## HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

## INTERIM STATEMENT

## STATEMENT OF RESERVES FOR SINKING FUND AND FOR CONTINGENCIES

Particulars	Year ending					Slat 1921	Together
	1917	1918	1919	October 1920			
<u>RESERVE FOR SINKING FUND:</u>							
Balance at Beginning of Period	\$ 1,494.54	\$ 4,988.72	\$ 8,946.70	\$ 22,021.45	\$ 39,341.52	\$ 1,494.54	
Amounts included in cost of Power to -							
(a) Municipalities	1,120.53	1,408.55	9,708.32	13,646.12	16,026.69	41,910.21	
(b) Companies	2,315.87	2,349.88	3,008.56	2,793.09	3,019.35	13,484.75	
Interest at 4% per annum on balances at beginning of period	59.78	199.55	357.87	880.86	1,573.66	3,071.72	
Total Provision for the Year	\$ 3,494.18	\$ 3,957.98	\$ 13,074.75	\$ 17,320.07	\$ 20,619.70	\$ 58,466.68	
Balance at close of Period	\$ 4,988.72	\$ 8,946.70	\$ 22,021.45	\$ 39,341.52	\$ 39,961.22	\$ 59,961.22	
<u>RESERVE FOR CONTINGENCIES:</u>							
Balance at the beginning of the period	\$ -	\$ 6,509.73	\$ 8,139.57	\$ 5,110.68	\$ 5,674.94	-	
Amounts included as part of the cost of power delivered -							
To Municipalities	870.55	1,142.09	1,181.30	1,197.13	1,123.19	5,514.26	
To sundry contract Customers	994.83	355.58	276.06	226.00	237.03	1,868.99	
Profit or loss on sales of sundry equipment	4,644.85	140.00					
Interest at 4% per annum on monthly balances at credit of this account	-	260.40	325.88	204.43	227.00	1,017.41	
Net profit for the year on power sold to sundry power Customers	-	-	-	-	1,102.50	1,102.50	
Deduct: Charges to the reserve	\$ 6,509.73	\$ 8,139.57	\$ 9,922.50	\$ 6,738.24	\$ 364.66	14,239.78	
Balance at close of fiscal year ending October Slat	\$ 6,509.73	\$ 8,139.57	\$ 5,110.68	\$ 5,674.94	\$ 1,128.08	7,128.08	



HYDRO-ELECTRIC POWER COMMISSION OF ONTARIOSEVERN SYSTEM

List of Municipalities in the Severn System, together with Balances as at October 31st, 1921, resulting from the Adjustment, to the Cost of Power, of Interim Power Bills.

Municipality	Date Commenced Operating	Balance October 31, 1921	
		Debit	Credit
Alliston	June 1918	\$ 7,952.10	-
Barrie	April 1913	4,201.41	-
Beeton	August 1918	4,254.80	-
Bradford	October 1918	8,470.66	-
Coldwater	March 1913	1,842.49	-
Collingwood	March 1913	7,572.28	-
Cookstown	May 1918	1,687.50	-
Creemore	November 1914	-	1,466.34
Elmvale	June 1913	-	523.49
Midland	July 1911	12,462.64	-
Penetang	July 1911	636.91	-
Port McNichel	January 1915	-	231.49
Stayner	October 1913	718.56	-
Thornton	November 1918	1,664.39	-
Tottenham	October 1918	4,519.96	-
Victoria Harbor	July 1914	-	484.22
Waubashene	December 1914	191.78	-
<b>Totals -</b>		<b>\$ 56,175.48</b>	<b>\$ 2,705.54</b>



HYDRO-ELECTRIC POWER COMMISSION OF ONTARIOSTV-VIII SYSTEM

**Statement of Accounts due by Municipalities, in respect of the Cost of Power at October 31st, 1921, still unpaid at September 26th, 1922.**

Municipality	Year	Charges or Credit	Interest	Adjustments	Balance October 31, 1921
Alliston	1918	1,123.11	-		
	1919	3,116.34	-		
	1920	2,064.70	170.41		
	1921	1,234.90	258.74		7,953.10
Barrie	1913	847.48			
	1914	1,252.26	33.90		
	1915	1,112.47	85.35		
	1916	2,121.47	83.96		
	1917	4,312.41	151.07		
	1918	3,222.40	151.07		
	1919	755.89	151.07		
	1920	25.43	151.07		
	1921	4,408.73	151.07	C 2,050.00 B 10,000.00	
		-	-		
Beeton	1918	855.70	-		
	1919	3,077.33	34.23		
	1920	199.00	158.69		
	1921	1,112.41	173.00		4,254.80
Bradford	1918	228.20	-		
	1919	3,498.77	9.13		
	1920	2,540.44	149.44		
	1921	1,995.64	249.04		8,470.68
Coldwater	1913	167.06	-		
	1914	574.42	6.60		
	1915	440.14	28.93		
	1916	5.17	48.72		
	1917	163.76	50.89		
	1918	342.66	57.07		
	1919	937.68	73.06		
	1920	1,112.40	115.49		
	1921	1,112.40	105.08		1,040.40
Collingwood	1913	1,943.06	-		
	1914	4,425.53	77.68		
	1915	2,079.41	257.81		
	1916	1,112.40	351.30		
	1917	1,112.40	24.07		
	1918	1,112.40	24.07		
	1919	9,875.54	24.07		
	1920	11,067.50	24.07		
	1921	13,398.66	24.07		
					7,373.28



Municipality	Year	Charges or Credits	Interest	Adjustments	Balance October 31, 1931
Cookstown	1918	497.33	-		
	1919	1,160.29	19.49		
	1920	124.00	68.68		
	1921	23.75	63.99		
Midland	1912	1,000.00	-		
	1913	1,000.00	11.00		
	1914	1,218.46	42.71		
	1915	4,335.14	3.20		
	1916	100.00	176.74		
	1917	100.00	177.46		
	1918	100.00	157.46		
	1919	9,000.00	-		
	1920	1,100.17	562.55		
	1921	1,400.00	534.03		
Thornton	1919	825.70	-		
	1920	300.84	35.43		
	1921	300.85	49.17		
Tottenham	1918	159.04	-		
	1919	1,945.01	0.36		
	1920	1,200.25	94.42		
	1921	980.76	136.19		
		Total			\$54,628.23

## NOTE:

- (A) The date of our general inquiry into the accounts was September 26th, 1931, but subsequent to that date and on September 27th, 1931, the Midland account of \$12,462.64 was paid in full.
- (B) Represents \$10,000.00 in cash and (C) Two 10 year 6% Bonds, 1951 Face Value \$2,000.00 of the Hydro-Electric Power Commission of Ontario, together with accrued interest, applied in reduction of amount due to the municipality of Barrie.



SPECIMEN OF AGREEMENT RE SEVERN LINES  
OPERATED BY THE COMMISSION

Excerpts from Agreement dated September 10, 1917, entered into by the Hydro-Electric Power Commission of Ontario and the Police Village of Cockstown, located in Innisfil, Essa, Tecumseh and West Gwillimbury Townships, Simcoe County, Ontario

The Commission agrees with the Corporation to reserve and deliver at the earliest possible date seventy-five horse power (75 h.p.) or more of electrical power to the Corporation, and at the expiration of a reasonable notice in writing, which may be given by the Corporation from time to time during the continuance of this agreement, to reserve and deliver to the Corporation, additional electric power when called for.

In consideration of the foregoing covenants, the Corporation agrees with the Commission:

To pay annually, interest at rate payable by the Commission upon the Corporation's proportionate part (based on the quantity of electrical energy or power taken) of all moneys expended by the Commission on capital account for the acquiring of properties and rights, the acquiring and construction of generating plants, transformer stations, transmission lines, distributing stations and other works necessary for the delivery of electrical energy or power to the Corporation under the terms of this contract.

Also to pay an annual sinking fund instalment of such amount as to form at the end of 30 years, with accrued interest, a sinking fund sufficient to repay the Corporation's proportionate part, based as aforesaid, of all moneys advanced by the Province of Ontario for the acquiring of properties and rights, the acquiring and construction of generating plants, transformer stations, transmission lines, distributing stations and other work necessary for the delivery of such electrical energy or power. Also to pay the Corporation's proportionate part, based as aforesaid, of the cost of lost power, and the cost of operating, maintaining, repairing, renewing and insuring said generating plants, transformer stations and other necessary works.

The amounts payable under this contract shall be paid in twelve monthly payments, and bills shall be rendered by the Commission on or before the 5th day and paid by the Corporation on or before the 15th day of each month. All payments in arrears shall bear interest at the legal rate.

To take electric power exclusively during the continuance of this agreement from the Commission.

To pay for three-fourths of the power ordered from time to time by the Corporation and held in reserve for it, as herein provided whether it takes same or not. When the highest average amount of power taken for any twenty (20) consecutive minutes during any month shall exceed during the twenty (20) consecutive



minutes three-fourths of the amount ordered by the Corporation and held in reserve, then the Corporation shall pay for this greater amount during the entire month.

If the Corporation during any month takes more than the amount of power ordered and held in reserve for it, as determined by an integrated peak, or highest average, for a period of twenty (20) consecutive minutes the taking of such excess shall thereafter constitute an obligation on the part of the Corporation to pay for, and on the part of the Commission to hold in reserve, such increased quantity of power in accordance with the terms and conditions of this contract.

When the power factor of the highest average amount of power taken for said twenty (20) consecutive minutes falls below ninety per cent (90%) the Corporation shall pay for ninety per cent (90%) of the kilovolt amperes, providing that said ninety per cent (90%) of said kilovolt amperes is greater than the maximum kilowatts for any twenty (20) minute period during the month.

This agreement shall remain in force for thirty (30) years from date of the first delivery of power under this contract.

The Commission shall, at least annually adjust and apportion the amount or amounts payable by the Municipal Corporation or Corporations for such power and such interest, sinking fund, cost of lost power and cost of generating, operating, maintaining, repairing, renewing and insuring said works.

If at any time any other Municipal Corporation, or pursuant to said Act, any railway or distributing company, or any other Corporation or person, applies to the Commission for a supply of power, the Commission shall notify the applicant and the involved Corporation or Corporations in writing, of a time and place to hear all representations that may be made as to the terms and conditions for such supply.

In determining the quantity of power supplied to a Municipal Corporation, the quantity supplied by the Commission within the limits of the Corporation to any applicant, other than a Municipal Corporation, shall be computed as part of the quantity supplied to such Corporation, but such Corporation shall not be liable for payment for any portion of the power so supplied. No power shall be supplied by the Municipal Corporation to any railway or distributing Company without the written consent of the Commission. Power shall not be sold for less than the cost and there shall be no discrimination as regards price and quantity.

It is hereby declared that the Commission is to be a trustee of all property held by the Commission under this agreement for the Corporation or Corporations supplied by the Commission but the Commission shall be entitled to a lien upon said property for all monies expended by the Commission under this agreement and not repaid. At the expiration of this



SPECIMEN OF AGREEMENT RE SEVERAL LINESOPERATED BY THE COMMISSION

Excerpts from Agreement dated August 26, 1915, entered into by the Hydro-Electric Power Commission of Ontario and the Municipal Corporation of the Village of Victoria Harbor.

The Commission agrees with the Corporation to reserve and deliver at the earliest possible date 50 H.P. or more of electrical power to the Corporation, and at the expiration of thirty days' notice in writing which may be given by the Corporation from time to time, during the continuance of this agreement, to reserve and deliver to the Corporation additional electric power when called for in blocks of 25 H.P. each up to the limit of the capacity of the Big Chute's Power Development.

In consideration of the foregoing covenants, the Corporation agrees with the Commission:

(b) Subject to the provisions of paragraph 2 (f) hereof, to pay the Commission Sixteen Dollars and Fifty cents (\$16.50) per H.P. per annum for all power taken by the Corporation at the interswitching structure located on the Commission's transmission lines at the Village of Waubaushene.

Nothing herein contained shall bind the Commission to supply power on the demand of the Corporation after the capacity of the Big Chute's plant has been reached, unless the Commission has power available or capable of development.

(c) To pay in addition annually, interest (at the same rate as paid by the Commission) upon the monies expended by the Commission on capital account for the construction of transmission lines, the transformer station and equipment, and all other necessary works required for the delivery of power and transforming it from 22000 to 2200 volts.

Also to pay an annual part of the cost of the construction of said line, station and works so as to form in 30 years a sinking fund for the repayment of the monies advanced by the Province of Ontario, in connection with this work.

Also to pay the Corporation's proportionate part of the cost of lost power, of operating, maintaining, repairing, renewing and insuring the said line, station and works.

(d) The amounts payable under this contract shall be paid in twelve monthly payments, and bills shall be rendered by the Commission on or before the 5th day and paid by the Corporation on or before the 15th day of each month. All payments in arrears shall bear interest at the legal rate.

(e) To take electric power exclusively from the Commission during the continuance of this agreement.

(f) To pay for three-fourths of the power ordered from time to time by the Corporation and held in reserve for it as herein provided whether it takes the same or not. When the greatest average



amount of power taken for any twenty consecutive minutes during any month shall exceed during the twenty consecutive minutes three-fourths of the amount ordered by the Corporation and held in reserve, than the Corporation shall pay for this greater amount during the entire month.

If the Corporation during any month takes more than the amount of power ordered and held in reserve for it for twenty consecutive minutes, the taking of such excess shall thereafter constitute an obligation on the part of the Corporation to pay for, and on the part of the Commission to hold in reserve an additional block of power in accordance with the terms and conditions of this contract.

When the power factor of the greatest amount of power taken for said twenty consecutive minutes falls below 90%, the Corporation shall pay for 90% of said power divided by the power factor.

3. This agreement shall remain in force until the date of expiration of the lease to the water rights on the Severn River of the Big Chute development that is to say until the tenth (10th) day of September of the year Nineteen Hundred and Twenty-nine. Providing the said lease is renewed by the Commission, then this agreement shall remain in force for thirty (30) years from the date of the first delivery of power thereunder.

4. The power shall be approximately 2300 volts, 60 cycle, 3 phase, alternating commercially continuous twenty-four hour power every day in the year except as provided herewith, and shall be delivered by the Commission to the Corporation at the 2300 volt terminals of the step-down transformers in the substation in the Corporation Limits.

7. If at any time any other Municipal Corporation or pursuant to said Act, any railway or distributing company, or any other corporation or person, applies to the Commission for a supply of power, the Commission shall notify the applicant and the Corporation in writing, of a time and place and hear all representations that may be made as to the terms and conditions for such supply.

In determining the quantity of power supplied to a Municipal Corporation, the quantity supplied by the Commission within the limits of the Corporation to any applicant other than a Municipal Corporation, shall be computed as part of the quantity supplied to such Corporation, but such Corporation shall not be liable to pay for the power so supplied, or otherwise in respect thereof. In order to prevent discrimination by the Municipal Corporation, no power shall be supplied by the Municipal Corporation to any railway or distributing company or person outside the Corporation without the written consent of the Commission, but the Corporation may sell power to any person or persons or manufacturing companies inside the limits of the Corporation but such power shall not be sold for less than the cost and without discrimination as regards price and quantity.

8. If differences arise between Corporations to whom the Commission is supplying power, the Commission may upon application fix a time and place to hear all representations that may be made by the parties and the Commission shall in a summary manner, when possible, adjust such differences and such adjustment shall be final.



- 3 -

The Commission shall have all the power that may be conferred upon a Commission appointed under the Act respecting Enquiries concerning Public Matters.

9. If differences arise between the Corporation and the Commission, the Lieutenant Governor-in-Council may, upon application, fix a time and place to hear all representations that may be made by the parties, and the Lieutenant Governor-in-Council shall, in a summary manner, when possible, adjust such differences and such adjustment shall be final. The Lieutenant Governor-in-Council shall have all the powers that may be conferred upon a Commission appointed under the Act respecting Enquiries concerning Public Matters.



